



New York City Local Sales Tax on Credit Rating Services

This memorandum outlines the method to be used in determining the delivery location of credit rating services for purposes of the New York City sales tax.

New York City imposes a local sales tax on credit rating services pursuant to Section 1212-A(a)(3) of the Tax Law and Section 11-2040 of New York City's Administrative Code. The Department of Taxation and Finance has concluded that the best method of determining the delivery location of a credit rating service subject to New York City's local sales tax is the address to which the invoice for the service is sent. Therefore, a credit rating service that is invoiced to an address within New York City will be subject to the City's 4½% local sales tax. No sales tax is due to either the State or New York City if the credit rating service is invoiced to an address outside of New York City.

The rule described in this memorandum applies to all taxable sales of credit rating services originally invoiced to an address within New York City **on or after September 1, 2015**. Additionally, the rule described in this memorandum supersedes the conclusion in Advisory Opinion TSB-A-13(27)S (September 9, 2013) that delivery of a credit rating service occurs at the location of the representative of a client who signs an engagement letter, but that Opinion remains valid in all other respects.

Credit rating agencies that have not previously been put on notice by the Department to begin collecting tax on these services will not be penalized for under collecting tax or using a different method of sourcing prior to September 1, 2015. However, any sales tax that has been collected and any monies collected purportedly as tax must be remitted to the Department.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.